MEMO

DATE: September 2, 2004

TO: Community, Economic, and Human Development Committee

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SUBJECT: **Analysis of California Department of Finance (DOF) Population Projections**

Recommended Action: Information only.

Summary:

- California Department of Finance (DOF) released a new population projection series for the year 2000-2050 on May 2004. This is the first projection series to incorporate 2000 Census information. Compared to the projections released in 1998, the new projections forecast 2.9 million fewer people in the SCAG region by 2030. According to the table 1, the new 2030 population projections for the SCAG region are approximately 800,000 lower than the 2004 RTP population forecast adopted by the Regional Council on April 2004. This difference represents 3.5% of the SCAG regional population forecast in 2030. The percent difference between the DOF projections and the SCAG forecast ranges from -8.1% (Los Angeles County) to 3.2% (Orange County). Given the size of the region and the forecast horizon (30 years), the difference is within the acceptable range.

Table 1. Comparison of 2030 Population Projections for the SCAG Region: DOF vs. SCAG.

County	DOF	SCAG	Difference (DOF-SCAG)	% difference
Imperial	254,989	269,871	(14,882)	-5.5%
Los Angeles	11,236,734	12,221,809	(985,075)	-8.1%
Orange	3,665,343	3,552,676	112,667	3.2%
Riverside	3,180,411	3,143,471	36,940	1.2%
San Bernardino	2,762,307	2,713,153	49,154	1.8%
Ventura	982,794	989,764	(6,970)	-0.7%
Total	22,082,578	22,890,745	(808,167)	-3.5%

- Methodology: DOF uses a cohort-component model to project resident population by gender, race/ethnicity and age. Three major components of population growth (births, deaths, and migration) are developed to reflect recent trends. Special populations for prisons, colleges, and military installations are added to produce total population projections.

- Assumptions

  ⇒ Fertility: County level age and race/ethnic fertility rates merge toward state norms during the forecast period.

  ⇒ Mortality: Life expectancy stabilizes or improves during the forecast period.

⇒ Migration: Annual average net migration to California is fixed at 186,000 during the forecast period. Local input or historical migration patterns are used to develop County level migration assumptions.